

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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Amendment to the Commission's) WT Docket No. 95-157
Rules Regarding a Plan for) RM 8643
Sharing the Costs of Microwave)
Relocation)

To: The Commission

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REPLY COMMENTS

These Reply Comments in the above-captioned proceeding are submitted on behalf of SRI PCS Resources, Inc. ("SRI"), the General Partner of PCS Spectrum Partners, L.P. ("PCS Spectrum"), an applicant in the ongoing C Block PCS auction. They are submitted in response to the Notice of Proposed Rule Making in the above-captioned proceeding, FCC 95-426, released October 13, 1995 ("NPRM"), pursuant to Section 1.415 of the Commission's Rules and address the following issues:

GENERAL POSITION

1. SRI generally supports the Commission's cost sharing plan. However, as an Entrepreneur Block auction participant, SRI is especially concerned with the following. A and B block Licensees should have incentives to negotiate fair and reasonable relocation terms. These firms are large and well-financed and can offer "premium payments or superior facilities." The smaller C Block companies, such as PCS Spectrum, should not be obligated to share in any such extravagance. They are not in a position to pay such premiums. Moreover, they will not benefit to the same extent as the A and B Block licensees who will be in a position to enter the market and may be willing, for purposes of

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expediency, to pay a premium for speedy entry.

2. C Block bidders are also placed in the difficult position of having to bid on a license without knowing for certain the potential relocation costs which are being negotiated, in effect, on their behalf. Many C Block bidders chose to participate in the C Block auction because extra spectrum was available which would allow them to work around incumbents in the early years when they would be least able to afford heavy microwave relocation costs. This flexibility is thus being sacrificed requiring the payment of relocation costs negotiated by someone else in the early stages of the business. Firm and certain limits on such costs should, therefore, be applied.

COST SHARING

3. As noted above, SRI generally supports the Commission's cost sharing plan. With regard to specific elements of the proposed cost sharing plan, SRI supports the comments filed by Go Communications Corporation as follows:

a. **Use of a Formula** - The formula proposed in the NPRM provides a degree of certainty and consistency. It is based on the reasonable premise that the relocater should pay more since it has the tremendous advantage of being the first to the market. There is no way to predict how valuable this head start may be in a particular market, but judging from the extremely competitive marketplace in the wireless industry, it is likely to be substantial.

b. Compensable Costs - Reimbursement should be limited to actual relocation costs and the recovery of premiums should be prohibited. Otherwise, Block C bidders would be called upon to subsidize the tremendous advantage that the A and B Block licensees would have in entering the market first.

c. Interference Standard and Trigger for Obligation - The NPRM proposed that reimbursement should be required only if the subsequent licensee's system would have caused interference to or received interference from a co-channel microwave system. NPRM, ¶ 55. The Commission correctly determined that, "The administrative costs and burdens associated with including other types of interference outweigh any additional benefits that would be achieved. NPRM, ¶ 56.

d. Installment Payments - In the NPRM, the Commission tentatively concluded that PCS licensees that are allowed to pay for their licenses in installments under the designated entity rules should have the same option available to them for payments made under the cost sharing formula. NPRM, ¶ 61. SRI supports this proposal. This will help offset the heavy capital requirements during the early years of the business and avoid neutralizing the benefits to be gained by establishing designated entities in the first place.

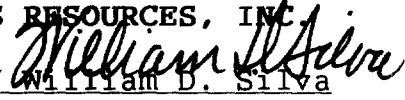
RELOCATION RULE MODIFICATION

4. SRI supports amendment of the relocation rule to provide for a one year mandatory period during which

negotiations with the incumbent would take place. SRI supports the comments of the Personal Communications Industry Association ("PCIA") in this regard. Specifically, SRI supports the following:

- a. **Mandatory One Year Negotiation Period** - Incumbents should be given a one year mandatory negotiation period to be initiated upon notification by the PCS licensee that it desired to commence negotiations. Voluntary periods allow incumbents to take advantage of PCS licensees and delay the initiation of PCS service.
- b. **Definition of Good Faith** - SRI supports the Commission's proposed definition of good faith. See NPRM, ¶ 69. In addition, good faith negotiations should be required at all times, both during voluntary and mandatory negotiation periods.
- c. **Public Safety Certification** - SRI supports the comments by the PCIA to the NPRM concerning public safety certification. As set forth in its Comments, pp. 26 & 27, the Commission should narrow the definition of public safety to those incumbents that are eligible in the Police Radio, Fire Radio, or Emergency Medial, or Special Emergency Radio Service, are licensee in one or more of these services, and where substantially all of the communications carried on their facilities involve safety of life and property. SRI also supports the Commission's proposal in the NPRM which would require incumbents to

document that they are entitled to public safety status,
promptly, upon the request of the PCS licensee. NPRM, ¶80.

Respectfully submitted,
SRI PCS RESOURCES, INC.
By:  William D. Silva
William D. Silva

Law Offices of Wm. D. Silva
5335 Wisconsin Avenue, N.W.
Suite 400
Washington, D.C. 20015-2003

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Its Attorney